SFC Corporate publication

Public Sector Equality Duty Progress Report

Issue date: 30 April 2019

Reference: SFC/CP/02/2019

Summary: This is a progress report for the period 2017-19. It shows our activity to support the colleges and universities that we fund in meeting the requirements of the Equality Act 2010. It also details our own work as a public body to deliver on the Public Sector Equality Duty as well as progress made against the Equality Outcomes set for the period 2017-21.

FAO   Staff and students of Scotland's colleges and universities / SFC staff

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Scottish Funding Council
Promoting further and higher education

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Executive summary

1. The purpose of this report is to set out our progress against the requirements of the Public Sector Equality Duty (PSED). This report has four distinct sections. Firstly, we set out the requirements of the PSED and key national policies that direct our work to promote inclusion. The second section explains how we have mainstreamed the general duty into our functions, within our own organisation and in our interactions with colleges, universities and other stakeholders. The third section details the current position against the Equality Outcomes set for the period 2017-21 and, finally, the fourth section includes information about student engagement with data monitoring in colleges and universities. Section four also includes information about the SFC employee profile as well as information about the profile of applicants for jobs at SFC.

2. The content of this report demonstrates that we have made good progress embedding equality into our core areas of work. In addition, information included in this report shows that we have taken the opportunity to lead by example and encourage the colleges and universities that we work with to consider how they advance Equality and Diversity (E&D) in their activity. As such, we are pleased to be able to show that the advancement of equality permeates through every aspect of our work. However, we know that there is always more that can be achieved. Therefore as well as setting out the impact of our work so far we have included some key actions and areas of focus that we have identified following our analysis of available data.

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Key Statistics

- SFC staff - circa 100 FTE, **p.7**

- 60/40 female-to-male gender split, **p.19**

- 50/50 split in gender equality of senior management team (as of March 2019), **p.20**

- One of the first public bodies to have a gender-balanced board (seven female, six male members), **p. 17**

Section 1: Introduction

About this report

3. This report focuses on the progress we have made between 2017 and 2019 as we implement the Public Sector Equality Duty at the Scottish Funding Council. It is split into four sections. In this section we set out the legislative and policy context that directs our work to advance equality.

Public Sector Equality Duty

4. The Public Sector Equality Duty (PSED) consists of a general duty and specific duties. The general duty consists of three main needs. The specific duties support delivery of the general duties and provide a helpful framework for the Scottish Funding Council to demonstrate compliance with the PSED.

The general duty

5. The general duty requires SFC, in the exercise of our functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advance equality of opportunity between people from different equality groups, considering the need to:
    - o Remove or minimise disadvantages suffered by people due to their protected characteristics.
    - o Meet the needs of people with protected characteristics.
    - o Encourage people with protected characteristics to participate in public life or in other activities where their participation is low.
- Foster good relations between people from different protected characteristics groups, tackling prejudice and promoting understanding between people from different groups.

The specific duties

6. The specific duties exist to help SFC develop evidence based policies and practices, improve transparency and accountability, and deliver better outcomes for everyone in Scotland. To meet the specific duties, SFC is required to:

- Report on progress of mainstreaming the general duty into all functions every two years. Our last mainstreaming report was published in 2017.
- Publish and deliver a set of Equality Outcomes that cover all protected characteristics (or explain why not all protected characteristics are covered)

every four years. We first published our Equality Outcomes in 2013. Following a review we updated our Equality Outcomes in 2017 and this report provides a progress report against our Equality Outcomes.

- Assess the impact of new and revised policies and practices against the needs of the general duty on an ongoing basis.
- Gather information on the protected characteristics of employees and publish every two years, starting in 2013, as part of mainstreaming reports if not published elsewhere.
- Publish board diversity information as part of mainstreaming reports from 2017. We were pleased to report that SFC benefitted from having a gender balanced board in our last report and this continues to be the case.
- Publish gender pay gap information every two years, and publish statements on equal pay and occupational segregation for gender, race and disability every four years, starting in 2013.
- Have due regard to the general duty in specified procurement practices on an ongoing basis.
- Publish the above information in a manner that is accessible.

Other relevant legislative and policy drivers

7. The Public Sector Equality Duty is one of many helpful legislative levers that support SFC to effect change, widen access and increase success in post-16 education in Scotland. The following section provides a brief overview of the key policy and legislative drivers that are relevant to our work.

SFC Triennial Review

8. Section 16 of the Post-16 Education (Scotland) Act 2013 placed a duty on SFC to conduct reviews of widening access every three years. In summary, this section of the Act requires SFC to:

- Undertake a Triennial Review of progress on enabling, encouraging and improving participation in fundable further education and fundable higher education by under-represented socio-economic groups.
- Ensure each review makes recommendations for actions Council deems appropriate to widening access.
- Do a Triennial Review within three years of commencement, and then within every three years.

9. Our next triennial review is due to be published in March 2020. Our 2017 triennial review contained detailed analysis across a range of protected characteristics and is a good example of how we measure impact in relation to equality and how we take opportunities to consider intersectionality in our work.

Commission on Widening Access

10. The Commission on Widening Access (CoWA) was announced by the First Minister as part of the Scottish Government's 2014-15 Programme for Government. The remit of the Commission was to achieve the Scottish Government's ambition that a child born today in one of our most deprived communities should, by the time he or she leaves school, have the same chance of going to university as a child born in one of our least deprived communities. CoWA published its final report *A Blueprint for Fairness* in 2016.

11. In equality terms this links to socio-economic intake and outcomes. An update on our progress to implement the recommendations of this report including our full support for the Commissioner for Fair Access can be found on the SFC website.

12. The next report on Widening Access is due for publication on 29 May 2019 and will include analysis of the student profile by a range of factors including some protected characteristics.

SFC Gender Action Plan

13. In December 2014, the Scottish Government published Developing the Young Workforce - Scotland's Youth Employment Strategy, a seven-year programme that aims to better prepare children and young people from the ages of 3–18 for the world of work. The headline objective is to reduce youth unemployment by 40% by 2021. A key component in the strategy is to develop the talents of all young people.

14. Within the strategy the Scottish Government committed SFC to develop a Gender Action Plan (GAP) to address gender imbalances at a subject level within colleges, in partnership with Skills Development Scotland and other partners. We published our Gender Action Plan in summer 2016. Our most recent progress report was published in February 2019.

SFC National Ambition for Care Experienced Students

15. Supporting the delivery of Developing the Young Workforce - Scotland's Youth Employment Strategy, an important ambition agreed between SFC and the Scottish Government is to work to achieve parity of outcomes for care experienced students and non-care experienced students by 2021.

16. We have published analysis of participation in post-16 education at colleges and universities by care experienced students. This report sets out information by age category, disability type and gender. Our next update will be published in Autumn 2019, using student data for the period 2017-18. The analysis for this

report will include information about the profile of care experienced students by age, disability, ethnicity and gender.

Scottish Government Race Equality Action Plan

17. We committed to deliver against a number of actions related to Post-16 education as detailed in the [Scottish Government Race Equality Action Plan 2017-21](). We provided an [update]() on our progress to our Access & Inclusion Committee in November 2018. This update also included analysis of student data including participation, retention (universities), successful outcomes (colleges)   and college leaver and university graduate destinations by specific ethnic groups. Our intention is that institutions, Advance HE and the Scottish Race Equality Network will use this information to inform the development of positive action measures where needed. We will continue to undertake this analysis and publish our findings annually.

18. In addition to the areas highlighted above that direct our work, we have specific work streams that link to each of these policy areas. These work streams include activity to support veterans, estranged students, Young carers and policies that link to our Gender Action Plan such as Equally Safe and Access to Free Sanitary Products.

19. We use a range of measures to translate these policy outcomes and ambitions into action. A key tool is our outcome agreement guidance and Section 2 of this document provides information about how we use the outcome agreement process and our funding allocations to mainstream equality in our work.

Equality Outcomes

20. We published our updated Equality Outcomes in our last mainstreaming report dated 2017. At that time we set two internal facing Equality Outcomes and five external facing outcomes. These remain unchanged and our progress against our outcomes is detailed in Section 3 of this report. Supporting data is presented in Section 4 of this report and where appropriate we have provided links to more detailed analysis reports.

21. It should be noted that our analysis and reporting extends beyond the protected characteristics covered by the PSED and includes data about care experienced students and students from different socio-economic areas. This approach to reporting reflects the policy context in which we work and the targets that we working towards, particularly with regard to widening access.

Section 2: Advancing equality in SFC

About the Scottish Funding Council

22. The Scottish Funding Council (SFC) is a Non-Departmental Public Body (NDPB) of the Scottish Government and was established on 3 October 2005. SFC has circa 100 full-time equivalent (FTE) employees in total across four directorates together with a small team in the Chief Executive's Office:

     - Access, Skills and Outcome Agreements (Access, Skills, Outcome Agreements, Quality).
     - Finance (Finance, Institutional Governance and Financial Sustainability, Funding and Analysis).
     - Corporate Services (Facilities, Human Resources, Information Systems, Projects, Records Management, Strategy).
     - Research and Innovation (Research, Innovation, Capital and Climate Change, Strategic activities).

Achieving equality through our Strategic Plan

23. Our Strategic Plan 2015-18, updated by an addendum to cover the period to 2019, states that our task is to care for and develop the whole system of colleges and universities and their connections and contribution to Scotland's educational, social, cultural and economic life. In undertaking this task, this strategic plan sets out three key outcomes:

     - High-quality learning and teaching.
     - World-leading research.
     - Greater innovation in the economy.

24. Our Funding contributes to the costs of teaching and skills development, research, innovation, knowledge exchange, widening access, equality, student support and bursaries, buildings and equipment and strategic initiatives in Scotland's 26 colleges (see Colleges that we fund) and 19 universities and higher education institutions (see Universities and Higher Education institutions that we fund).

25. SFC allocates the majority of this funding direct to colleges and Higher Education Institutions (HEIs) to deliver around 250,000 full-time equivalent places (FTEs) per academic year. The majority of these places are filled by students who live in Scotland before their course begins, with the remaining places occupied by students from the EU.

Embedding equality in our policy and practice

Our approach

26. SFC is an evidence-based organisation. We work hard to consider how our activity can help advance equality and tackle exclusion in the further and higher education sectors. Accordingly, our inclusion work extends beyond protected characteristics and includes a focus on closing the attainment gap between the richest and poorest in our society. This means that, when we consider work that tackles disadvantage experienced by veterans, care experienced people, school children and people living in areas of socio-economic disadvantage, we consider how our work promotes positive outcomes for people from all equality groups.

Our evidence

27. SFC is an official provider of statistics. This means that we work within agreed frameworks to prepare robust data sets. We employ statisticians and information management professionals so that we can develop profiles for staff and student numbers across the college and university sector. We use this information to identify trends and measure progress against objectives. We publish a range of technical reports that can be used by SFC and others as a data source for the purpose of effective policy making.

28. We maintain a [publishing schedule](#) on our website and this provides details of our numerous statistical publications.

29. The statistics that we publish are used in a variety of ways, such as:

- National and Official Statistical publications.
- Providing advice to Ministers.
- Informing the decision-making process on Further and Higher Education policy in Scotland.
- Inclusion in reports, briefings and news articles.
- Academic research and public enquiry.

30. SFC also publishes technical guidance for [Universities](#) and [Colleges](#) on the data that institutions should use to collect and report progress on in their outcome agreements (OAs).

31. We make reports like this one, and our statistical publications mentioned above, publicly available on our AA compliant website. We raise awareness of our publications using a range of channels and offer to provide documents in alternative formats if required.

32. Our college student data are also available for interrogation. Interested parties can access our Infact tool that allows users to query college student data.

33. At the time of publication of this report the most recent data relating to the student profile is embargoed. However the Report on Widening Access will contain some information about the student profile by protected characteristic when released on 29 May 2019. We intend to publish a more detailed equality profile report in Autumn 2019.

Equality Impact Assessment

34. We have integrated Equality Impact Assessment (EIA) into our policy development process. Our impact assessments are led by policy area leads and must be completed before policies can be signed off by the SFC management team. However, we are mindful that we could be doing more to embed EIA in our work. Accordingly, our Equality and Diversity Group have instructed a review of our published EIAs with a view to identifying how we can improve both the process and quality of EIA. The results of this review will be considered at the May 2019 meeting of the Equality and Diversity Group.

Mainstreaming equality in funding allocations

35. We also use our engagement with colleges and universities to ensure that individual organisations are considering E&D in their work. For example any application for strategic funding to support research or other activity must be accompanied by an EIA. In addition, our assessment of delivery against outcome agreements asks for demonstrable equality evidence.

36. SFC provides annual grants totalling over £23m to various non-institutional bodies in pursuit of sectoral objectives. SFC is either the main funder, buys specific services, or contributes a proportion of the organisation's funding (often as part of a UK-wide arrangement). These payments are not covered by SFC's Financial Memoranda with universities and colleges, and occur under a variety of mechanisms including Service Level Agreements and Memoranda of Understanding as well as Outcome Agreements. Examples include our funding of Education Scotland and the Quality Assurance Agency. Our approach to embedding E&D in these funding arrangements, including our allocation of time-limited strategic funds remains as reported in our last Mainstreaming Report.

37. A standard text is used in all letters offering funding to non-institutional bodies with an expectation that, in accepting the funds, the organisation will:

- Work with accessible and diverse partner organisations.
- Demonstrate how the funded project or services contribute to the delivery of the Public Sector Equality Duty.

- Be required to report on how actions arising from the EIA have been reflected in the use of funding.

38. All of the above actions mean SFC now has a standard process ensuring EIAs are undertaken prior to any organisation being considered for strategic funding and that equality is fully embedded in the reporting on the impact of this funding.

39. We are pleased with the progress we have made, and we are confident that E&D issues are considered in this aspect of our work. However, in tandem with our review of our own EIAs, we have instructed a review of the information gathered in our outcome agreement process and the content of EIAs attached to other funding applications that we receive. This will allow us to assess if the current approach is driving the necessary change and rate of progress that we would like to see. As part of this review we have also commissioned Advance HE to map out the reporting requirements that institutions must comply with.

40. The purpose of this review is twofold. Firstly, we wish to assess the quality of the assessments that we have received, with a particular focus on expected impact. Secondly, we are acutely aware of the data demands placed on Scotland's colleges and universities. For example, SFC asks universities to report E&D information annually against outcome agreements and annually or triennially in their gender action plans. In addition, universities and colleges are involved in a variety of charter marks and initiatives such as Athena SWAN as well as their obligations to meet the PSED. We know that much of this work overlaps. We want to work with partners to explore how we can shift the resources directed at E&D work away from the 'industry' of equality reporting to activity that makes an impact and measurement that evidences change.

Key actions:

- We will review the way in which we assess the advancement of equality through all aspects of our funding and procurement work. (2019)

- We will raise the profile of our statistical reports so that the use of the data is maximised internally within SFC and by external organisations. (ongoing)

- We will review our website to ensure it and our content is accessible (2019)

Capacity building in the college and university sector

41. In order to build capacity in the college and university sector to meet the requirements of the PSED we have provided long term funding to Advance HE.

Advance HE use this funding for a range of activities. These include ongoing activities such as the facilitation of equality networks in the college and university sector. The funding also enables to Advance HE to take forward discrete projects on our behalf.

Advance HE's Scotland Programme 2018-21

42. An overview of Advance HE's programme, with the details of specific projects for 2018-21, is included below. This table sets out the projects that SFC, Advance HE and Scottish institutions have prioritised in order to deliver sustainable change in the short to medium term. In the longer term, we hope that these actions will provide the foundation for positive culture change so that every member of staff and every student is able to achieve their potential in a supportive and welcoming environment.

Key outcomes for students for 2030

- There is no severe gender underrepresentation at subject level.
- The BME attainment gap is halved from current rates (8.3% for HEIs).

Key outcomes for staff for 2030

- Staff populations at all levels increasingly reflect student populations for gender, race and disability.
- Disability, sexual orientation and belief disclosure doubles in colleges and HEIs.

Key outcomes for governing bodies for 2030

- All institutions have inclusive, gender balanced boards.
- Achieve or see progress towards proportionate representation for all protected characteristics.

43. Table 1 illustrates the range of activities forming the Advance HE work plan for the period 2018-21.

Table 1: Equality Challenge Unit (ECU) Scotland programme – projects for 2018-21

ECU Scotland programme – projects for 2018-21	
Supporting institutions in meeting the Scottish specific duties – workshops and guidance ahead of reporting.	**Scotland specific disability project -** supporting improved outcomes for priority groups of disabled students, and students with specific types of impairments.
Scottish diversity in governance project - focused guidance and support to ensure gender balance and increased diversity across both sectors.	**Scotland biennial national conference -** showcase progress, support cross-sector practice sharing and foster collaboration
Support for SFC - support for SFC in delivering high quality outcomes in Equality and Diversity (E&D).	**Strategic mainstreaming: equality in OAs -** focused on supporting the effective embedding and communication of E&D in OAs.
Intersectionality and equality in student recruitment - supporting ambitious positive action measures and the adoption of intersectional approaches to better deliver GAP commitments and Equality Outcomes.	**Strategic mainstreaming: developing strategic Equality Impact Assessments -** collaborate with HEIs and colleges to develop good practice guidance on strategic EIA.
Scottish violence against women project - develop tailored research and guidance and enable coordinated activity amongst colleges and HEIs	**Strategic mainstreaming: aligning equality reporting -** with European Human Rights Commission (EHRC) and SFC, map out, streamline and simplify equality reporting.
Progressing staff equality in colleges - follow up sector survey, focus on an ageing workforce and disability.	**Strategic Scottish race equality project -** supporting the Scottish race network, and HEIs and colleges to meaningfully engage with race equality.
Scottish Athena SWAN support - tailored support for Scottish HEIs to achieve and sustain high rates of Scottish success so that participation in Athena SWAN impacts positively on Equality Outcomes and targets set elsewhere (e.g. GAPs).	**UK wide projects extended to Scotland -** Research Excellence Framework (REF) and Teaching Excellence Framework (TEF) equality support and input, (Athena SWAN Charter / Race Equality Charter, HE statistics reports, statistics development / consultation.

Source: Advance HE

44. We know that the universities and colleges that we work with are committed to providing inclusive environments for students and staff. The support provided by Advance HE together with our approach to monitoring allows us to highlight progress made and identify areas for priority action.

45. The data tables presented in Section 4 provide further information about the improvements in student engagement with equalities monitoring.

The College and University workforce profile

46. Universities enjoy the benefits of having a diverse workforce and, subject to prevailing immigration policy, are able to attract talent from across the UK, European Economic Area and further afield. This diversity enhances the range of research activities that a university is likely to undertake and better reflects the multi-cultural student profile of all students who come to Scotland to study. Information about the University workforce profile across the UK is collected by Higher Education Statistics Agency (HESA). A number of reports are available on their website. Advance HE also uses the data provided by HESA to produce analytical reports. In addition, in line with the requirements of the PSED, each individual institution will publish detailed workforce data in their own mainstreaming reports. We are working with the available data to understand in more detail how intersectionality affects outcomes for support and academic / teaching staff working in Scotland and we hope to publish our findings before the end of 2019.

47. As a result of focused work to enhance the capacity and capability of colleges to undertake effective workforce monitoring we are now able to examine the diversity of the college workforce. Our most recent analysis of the college workforce was published on 26 March 2019 and is available on the SFC website.

48. Available staff data highlights that colleges and universities have work to do to attract and recruit BME applicants to their vacancies, particularly for roles that are likely to be filled by Scottish domiciled candidates. In addition, recent survey data published by Advance HE suggests that outcomes for disabled staff in Scottish colleges do not enjoy the same outcomes in employment as their non-disabled colleagues. These findings support us to direct the work of Advance HE and build capacity within institutions so that positive change can be made.

Supporting Equality and Diversity in the governance of colleges and universities

49. We continue to work with HEIs, Advance HE and other key stakeholders to support the recommendations of the HEI Governing Bodies Equality and Diversity Report 2015.

50. A key stream of work that we have asked Advance HE to take forward on our behalf is focused on supporting Scottish colleges to improve their succession planning and attraction strategies so that substantial progress can be made regarding board diversity.

51. The work we are taking forward will directly support institutions that are yet to achieve gender balance to develop effective positive action initiatives. This project work led by Advance HE will also work to ensure that effective succession planning and board recruitment supports institutions to broaden the diversity of their boards in the widest sense, with a focus in the first instance on disability and race.

Sharing good practice and working collaboratively

52. As well as funding Advance HE we work collaboratively with a range of organisations in order to promote good practice and involve a range of stakeholders in our work. Some examples are noted below:

British Sign Language (BSL) National Plan

53. SFC is taking forward a range of actions to support the BSL National Plan. We have established a BSL steering group and working with Deaf Action. We are jointly hosting a BSL conference to showcase good practice and keep up the momentum on the promotion of the BSL language. This event is taking place in Edinburgh on Thursday 9 May 2019.

Mental Health

54. We understand that students who experience mental health difficulties while studying are less likely to complete their courses successfully compared to students with other disabilities.

55. We want to make sure that the institutions in Scotland are able to support students through the provision of accredited counselling services. We are working with Universities Scotland, Colleges Scotland and the Scottish Government to undertake research and formulate a plan to increase the number of mental health counsellors. This activity supports the commitment made by the First Minister in her Programme for Government.

Disability

56. We established a new working group, the *Outcomes for Disabled Students Group* in partnership with Lead Scotland. The remit of the group is to develop and inform actions to address issues relating to the experience of disabled students. Membership of the *Outcomes for Disabled Students Group* includes disabled students. This activity supports the work that we are taking forward to deliver against actions set out for SFC in the Scottish Government's Fairer Scotland disabled people employment action plan.

57. We have asked this group to input into our forthcoming outcome agreement guidance so that the outcome agreement process includes action to improve the experience of disabled students. We are also pleased to report that the group has identified three priority areas and Lead Scotland are supporting the members of the group to develop specific actions to deliver these priorities.
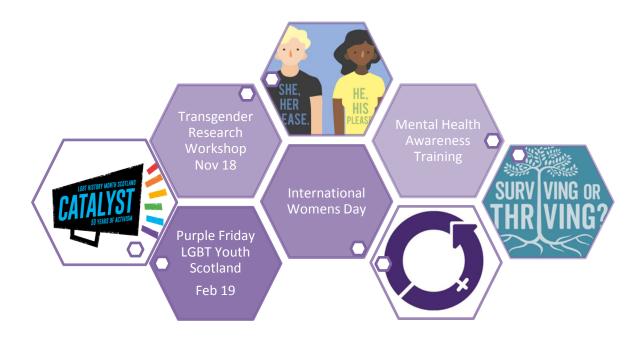
Our diverse workforce

Overview

58. SFC has some 100 FTE employees – headcount can vary depending on secondments, use of agency staff and factors such as extended leave. Employees work across four directorates with a small team working in the Chief Executive's Office.

59. SFC encourages employees to work flexibly. SFC staff can work reduced hours, compressed hours and working from home is also supported. Our office space is fully accessible and we operate an agile working environment. Priority desks are available for staff that might need them; this means that individuals with specific needs are always able to use a desk that enables them to work in a comfortable and safe environment.

60. This approach to flexible working, combined with a range of different workspaces allows SFC to support all staff, including disabled staff and staff with caring commitments, to balance their work and personal lives.

61. We believe that our approach to flexible working contributes to our low turnover rates and our 100% return to work rate for new parents returning from maternity leave.

62. We also take staff involvement seriously. We work in partnership with Unite union when we are developing or reviewing staff policies. Consultation and negotiation on updating these policies takes place at SFC's Policies and Procedures Working Group (PPWG) and new / updated policies and procedures are ratified at the Joint Negotiation and Consultation Forum (JNCF).

63. We are proud of our retention rates and the levels of engagement that our staff report in the SFC staff survey. We believe that our approach to flexibility and staff involvement contribute positively to staff experience.

64. We have already set out how our employees build equality into their work. However, it is important that our culture and values promote dignity and respect and value the differences of our employees.

65. In order to measure employee experience and identify areas for action we conduct full staff surveys on a biannual cycle. Our last full survey was conducted in December 2017. This survey includes questions about E&D. We also run short

'pulse' surveys that only include questions that relate to staff engagement. A snapshot of these survey results is noted below in Table 2.

Table 2: SFC Staff survey results

	Oct 17	Dec 17	Nov 18
Number of responses	*60*	*79*	*73*
I would recommend SFC as a place to work	66%	67%	73%
I am proud to work for SFC	71%	68%	69%
I am committed to helping SFC achieve its goals	84%	89%	97%
I suggest ideas to improve our way of doing things	76%	81%	83%
Overall engagement index	71%	73%	75%
I have a good understanding of SFC's approach to E&D	n/a	85%	n/a
SFC is committed to E&D	n/a	73%	n/a

66. As previously highlighted, staff working across each directorate have responsibilities to promote equality and ensure compliance in their work. SFC staff also participate in a range of activities to increase their equality knowledge and confidence.

The profile of our current workforce

67.	Information about the profile of our workforce is available in Section 4 of this report. Our employed staff update their own personnel record and this includes information related to protected characteristics. The declaration levels vary by protected characteristic and the percentage of staff that have chosen not to disclose information has increased slightly over the course of the last year. However, we are pleased to note a slight increase in the percentage of staff declaring a disability status and an increase in the percentage of staff identifying as gay, lesbian or bisexual:

- 12% of SFC staff declaring a disability.
- The percentage of staff declaring that their sexual orientation is gay, lesbian or bisexual increased from 2% in 2018 to 5% in 2019.

68.	We will continue to work with staff with a view to increasing declaration levels and improving the quality of the staffing data that we hold.

Recruitment at SFC

69.	There have been 21 vacancies in the period April 2018-April 2019. Of these 17 have been advertised as fixed term posts to deal with specific time limited work or as temporary posts to backfill temporary internal moves.

70.	Applicants are asked to complete an equality monitoring form. Completion of this form is optional. However, response rates are encouraging and for most fields around 75% of applicants complete the monitoring form. This level of disclosure allows us to conduct meaningful analysis and our analysis suggests that the shortlisting process does not impact negatively on candidates who share protected characteristics.

71.	Information about the profile of applicants for SFC posts for these time periods is contained in Section 4 of this report.

Our balanced board

72.	SFC is proud to be one of the first public bodies to achieve a gender balanced board. Appointments to our board are made by the Minister for Further & Higher Education and Science and are regulated by the Commission for Ethical Standards in Public Life. As such, we have no control of the appointments made but we do work in partnership with the Scottish Government public appointments team to ensure that our skills matrix and succession planning takes into account the diversity, skills and knowledge needed to ensure our governance arrangements support us in all aspects of our work in a way that properly considers equality impact.

73. We have actively offered board shadowing opportunities to women who are considering the pursuit of a board appointment and we are now exploring the steps that we need to take to ensure a wider diversity of talented individuals are aware of and ready to apply for upcoming vacancies on our board.

Equal pay

74. SFC is committed to equal pay and this is reflected via a Job Grading and Evaluation Procedure that ensures each role is aligned to the correct pay grade, as well as a Salary Determination Procedure that is used to ensure that each member of staff is offered a fair salary in relation to others with equivalent experience. Since 2003 SFC has reported on equal pay on a year by year basis, through pay audits and now via the published Mainstreaming Reports.

Gender pay gap

75. A gender pay gap analysis is given below for April 2017-March 2019. The figures for 2019 have been calculated using the data for the financial year and do not include the salary uplift applied in the April 2019 pay review.

Hourly Rate for SFC Employees	Average 1 April 2017	Median 1 April 2017	Average 1 April 2018	Median 1 April 2018	Average 30 March 2019	Median 30 March 2019
Female	£20.18	£17.99	£19.51	£17.99	£21.63	£19.37
Male	£26.92	£22.32	£24.31	£21.91	£24.30	£22.26
Gender Pay Gap	25%	19%	19.8%	17.9%	11.7%	13%
All	£22.94	£19.16	£21.47	£18.83	£22.60	£20.39

76. Our gender pay gap shows positive movement between April 2018 and March 2019. Factors that have influenced this included the increase in female representation within our senior management team and the 2018-19 pay review which had an impact where staff progressed within their pay range.

Occupational segregation

77. The overall gender mix at SFC is 60/40, female/male. Fewer males are employed in our entry level grades at E2 and below. As at March 2019, the average grade pay gaps for our main staff groups (E1 - M1) were as follows (we have shown our 2019 figures in comparison with the average pay gap for 2017):

Pay Grade	Pay gap 2017	Pay Gap 2019	Number of staff March 2019 (male to female)
M1	-2.4%	-0.4%	21 (10:11)
E3	1.6%	0.1%	39 (19:20)
E2	2.3%	-0.2%	31 (11:20)
E1	1.9%	-6.3%	14 (2:12)

78. In considering the male to female pay gap at our main staff grades (see table above) we found that between 2017 and 2019 the gap has improved overall in favour of women in all grades. The largest pay gap at -6.3% at grade E1 is at a level that may cause concern were the number of staff in the grade larger. In an ideal world the pay gap should be 0%. However, the relatively small numbers of staff involved and their relative placing within the pay range (based on experience) can have a more pronounced impact on the average gap. The effects of funded pay progression help to level this out over time but small movements of one or two staff out of or into the grade can tip the pay gap either way.

79. A negative pay gap is one in favour of women, whilst a positive one is one in favour of men. What the table shows us is that (looking at the most populous staff grades) on a grade by grade basis the average pay gap is fairly small between women and men. It is only when the gap is considered at an organisational level that the impact of occupational segregation (more women than men in the lower grades) causes both the 2019 average and median pay gap to remain higher than we would prefer at 11.7% and 13% respectively.

80. At this time, due to a combination of low staff numbers and incomplete monitoring data we are unable to report on occupational segregation by declared disability or race.

81. The profile of our senior management team has changed since our last mainstreaming report and we now have gender balance within our senior management team:

	March 2018	**March 2019**
Chief Executive	Male (Interim Appointment)	Female
Chief Operating Officer	Male	Male
Director of Finance	Female	Female
Director of Research & Innovation	Male	Male
Director of Access Skills and Outcome Agreements	Male	Male
Interim Director (short term post to April 2019)	-	Male
Head of External Affairs		Female
Assistant Director of HR & OD	Female	Female

Section 3: Our Equality Outcomes

82. This section presents analysis of the mainstreaming of E&D within SFC-funded colleges and universities. It is designed to demonstrate our progress towards the following Equality Outcomes:

The external Equality Outcomes

1. To achieve more even patterns – at both a sectoral and an institutional level - of participation, retention and success by different groups of learners, from protected characteristic groups and including those from areas of deprivation and care backgrounds where they interact.

2. Understand the diversity of college staff, management and governing bodies leading to specific recommendations and guidance for colleges in AY 2019-20 [introduced in 2017].

3. Support the university sector to achieve a diverse and representative workforce [introduced in 2017].

4. To achieve an improved and aligned evidence base for equality, informed by increased rates of disclosure across protected characteristics.

5. Equality and diversity considerations are evident in outcome agreements and across all core and strategic funding agreements [updated in 2017].

The internal Equality Outcomes

1. We will better understand and improve E&D within our workforce through improved disclosure and positive action and development initiatives [updated in 2017].

2. Equality and diversity responsibilities will be clearly established in our strategic and operational planning and advanced through forward job plans and evaluation processes [updated in 2017].

Internal Equality Outcome 1

To better understand and improve E&D within our workplace through increased disclosure and positive action initiatives.

Task (Objective)	Our actions	Status	Impact	Next steps
Increase the level of disclosure.	We encourage staff to maintain their own personnel record on an annual basis.	Ongoing	Disclosure rates have not increased.	Review communications to staff to ensure higher rates of engagement with this process.
Translate applications from underrepresented groups into appointments.	We have analysed our applicant data and continued to highlight inclusion in our job marketing materials.	Ongoing	We have identified that our shortlisting process is fair and that candidates from minority groups are shortlisted at proportionate rates.	We are reviewing our appointment process and we intend to work collaboratively with other organisations to achieve greater diversity in our selection panels.

Internal Equality Outcome 2

To ensure that E&D is central to SFC policy development, decision making and delivery.

Task (Objective)	Our actions	Status	Impact	Next steps
Ensure Equality and Diversity Impact Assessments are used at the outset of the policy making process.	- EIA is prioritised for all activity from finance allocation to policy development. - Our EIA tool was refreshed in 2018. - Our EIAs are published on our website. - We instructed a	Ongoing	EIA is recognised as an important activity. However, recognition that SFC requires to build capability in this area. EIAs are published on our website. This enables scrutiny and supports our aim to be transparent.	Conclude the review of our internal SFC EIA process and implement required actions before end 2019. Continue to publish EIAs on the SFC website.

	review of SFC EIA activity in Feb 2019.			
Produce statistical reports that support SFC and others to take action to advance equality.	We publish National & Official statistical reports on our website on an annual basis.		Our reports are available on our website, and in other formats on demand. SFC staff can interrogate data to inform policy decision making.	Raise awareness of our statistical reports to external audiences, with a focus on demographics within subject group to support workforce planning in a range of sectors. Continue to publish analytical reports that consider each protected characteristic and intersectionality.
Ensure our communications are accessible.	We include accessibility in our online communications, including our AA compliant website, available publication formats and event planning.	Ongoing	We make sure our events are held in accessible venues. We consider issues of access in the design and distribution of our publications.	We are reviewing our website content. We are considering how we can utilise video communication more effectively within our website.

External Equality Outcome 1

To achieve more even patterns – at both a sectoral and an institutional level – of participation, retention and success by different groups of learners, from protected characteristic groups and including those from areas of deprivation and care backgrounds where they interact.

Task (Objective)	Our actions	Status	Impact	Next steps
Improve student profile data quality.	We have funded Advance HE to work with institutions so that declaration levels against each protected characteristic increases.	Ongoing	Declaration rates have increased. See table 3 in Section 4.	Work to continue to build confidence in the system, and improve the quality of information collected regarding.
Report on outcomes.	We have established a baseline for participation, retention and success by different groups of learners.	Ongoing	We have identified ambitions for better representation in specific subject groups and we have set targets to improve retention and success rates for different groups of students.	Continue to monitor progress and to work with Advance HE and institutions to develop the necessary interventions to stimulate action where required.

External Equality Outcome 2

Understand the diversity of college staff, management and governing bodies leading to specific recommendations and guidance for colleges in AY 2019-20

Task (Objective)	Our actions	Status	Impact	Next steps
Report on the College staff profile.	We have worked with Advance HE and the sector to standardise staff data	Ongoing	Advance HE published College staffing data collection guidance in March 2018	We will provide further analysis so that our outcome agreement managers can

	collection process and with Advance HE we have worked to improve the declaration rates in staff data collection exercises.		We published analysis of the College sector workforce in March 2019.	utilise the data and support colleges to achieve positive change and tackle any identified workplace imbalance.
Improve staff diversity in colleges.	SFC funded Advance HE to conduct research.	Complete	Advance HE published research findings in March 2018, the report included recommendations for colleges, Colleges Scotland, staff trade unions, SFC, College Development Network and Advance HE.	
Improve the diversity of members of college governing bodies.	We have funded Advance HE to provide tailored support to colleges.	Ongoing	We have identified that colleges need support if they are to achieve gender balance and greater diversity. Advance HE have provided guidance to colleges.	Actions to support colleges successfully appoint talented board members from all walks of life are being planned in collaboration with others who have had success in this area.
Understand the experience of staff working in colleges.	We funded Advance HE who conducted a large scale survey of college staff to understand experiences.		Publicly available report from Advance HE.	Work with colleges to ensure the results are used to inform improvements to staff engagement and measured by protected characteristic.

External Equality Outcome 3

Support the university sector to achieve a diverse and representative workforce

Task (Objective)	Our actions	Status	Impact	Next steps
Provide high quality, sector level information about the HE/FE workforce to enable institutions to understand the national profile of HE/FE staff and use this data to inform their own benchmarking and target setting as appropriate.	SFC has undertaken extensive work to establish a baseline data set that will enable SFC to undertake longitudinal analysis of staff profiles and trends in line with HESA analysis.	Ongoing	SFC has identified areas that require attention.	We are working to ensure that updated data based on 2018 data is accessible to outcome agreement managers so that it can be used to drive positive change (tackle employment imbalances) at institution level.
Working with HEIs, ECU and other key stakeholders to support the recommendations of the HEI Governing Bodies' Equality and Diversity report 2015, supporting all protected characteristics.	Advance HE have provided ongoing support to HEIs to support diversity in board governance arrangements.	Ongoing	Progress has been made regarding balanced boards (executive and non-executive).	Focus is now required to ensure that activity is undertaken to promote equality in university governance for other equality groups.
Promoting and supporting career development programmes such as those provided by the Leadership Foundation for Higher Education, the Higher Education Academy and Vitae Career Progression.	We have taken a pro-active approach to involve YAS, Athena SWAN.	Ongoing	Enhanced understanding of the barriers to gender equality and staff progression in universities resulting in	We will continue to monitor activity in this area to ensure aims are sufficiently ambitious and lead to improved outcomes for career

			recommendations for future approach. Increase in number of Scottish HEI Athena SWAN and HR Excellence in Research award holders.	progression. We will take an intersectional approach to our analysis.
Work in partnership with the UK funding bodies to build and embed E&D into the development of UK level higher education policy, with a particular focus on major policy initiatives such as the Teaching Excellence Framework and REF2021.	SFC participates in the REF2021 Equality and Diversity Advisory Panel as the representative of the UK funding bodies.	Ongoing	Equality and diversity will be embedded in the REF2021 assessment exercise. As part of the exercise institutions will be expected to submit a satisfactory Code Of Practice in relation to the fair and transparent identification of staff and the selection of outputs.	We are continually exploring opportunities to work with the UK funding bodies to maximise the potential to embed equality into major policy initiatives.

External Equality Outcome 4				
To achieve an improved and aligned evidence base for equality, informed by increased rates of disclosure across protected characteristics.				
Task (Objective)	Our actions	Status	Impact	Next steps
Ensure our data collection and processing activity is legally compliant.	We have started working with our legal advisors to establish a legal base for collection of individualised staff data from colleges.	Ongoing	We continue to work to develop the required legal base and in the meantime continue to collect and publish summary staff data.	Continue
	SFC has established Data Sharing Agreements that are General Data Protection Regulation (GDPR) compliant with colleges and also with Advance HE and HESA who analyse Scottish college student data on behalf of SFC.	Ongoing	Advance HE are able to publish annual statistical report on colleges in Scotland.	Continue
Ensure good practice is followed with regard to data collection by colleges.	We fund Advance HE who developed guidance for the college sector to support improved staffing data collection.	Further Education Statistics guidance was issued to colleges in April 2019

Advance HE continues to support colleges via | Colleges have access to best practice guidance regarding collection of protected characteristics and other special interest groups such as BSL, | We continue to fund Advance HE and support colleges to improve the quality of their data collection. |

		the College Liaison Group.	Estranged person, Stateless person and Veterans.	
			Student declaration rates have broadly increased and staff declaration levels are improving.	
Ensure good practice is followed with regard to data collection by universities.	We fund Advance HE who developed guidance for the university sector to support improved staffing data collection.	Advance HE provides support to Equality and Diversity leads via the Scottish Liaison Group.	Student declaration rates have broadly increased and staff declaration levels are improving.	Continue to support HEIs to effectively monitor staff and student populations.

<table>
<tr><td colspan="5" style="background:#C9BCE0">External Equality Outcome 5
Equality and diversity considerations are evident in outcome agreements and across all core and strategic funding agreements.</td></tr>
</table>

Task (Objective)	Our actions	Status	Impact	Next steps
Use our assessment of outcome agreements to ensure E&D is considered by colleges and universities as they deliver against key targets.	We have updated our outcome agreement process to ask for evidence that E&D is considered against all delivery areas.	Ongoing	The request for E&D information has raised the profile of E&D in the outcome agreement process and has led identification of issues as well as positive change. However the	SFC will work with EHRC, Scottish Government and Advance HE to consider a more effective way to embed equality and monitor progress and impact made by colleges and

			increased focus has not resulted in the expected step change and it has created an additional reporting burden on the sector.	universities.
Ensure our core and strategic funding agreements support the advancement of equality.	We stipulate that any funding request is accompanied by an Equality Impact Assessment.	Ongoing	We can demonstrate that E&D is considered in our funding allocations.	SFC is undertaking a review of the EIAs received as part of a wider exercise to assess if SFC can improve the way it uses its procurement channels to advance equality.

Section 4 – Data reports

83. This section of the report sets out the demographic profile of the student populations at our colleges and universities. Information is also provided about the profile of the SFC workforce and applicants for vacancies with SFC.

84. The first part of Section 4 provides information about the students funded by SFC and the second part provides information about SFC staff.

Part 1: College and university student profile

85. Our collection of student data in 2017-2018 benefits from improved declaration levels as a result of work to increase confidence and engagement with student data collection exercises at an institutional level.

86. Table 3 sets out declaration rates at Scottish Colleges, Table 4 sets out declaration rates at Scottish Universities.

Table 3 Declaration data fields (college students by entrance year)

Date range Protected characteristic	2014-2015	2017-2018
Ethnicity*	92.4%	94.5%
Religion*	80.5%	96.7%
Sexual Orientation*	80.7%	96.7%

Table 4 Declaration data fields (university students by entrance year)

Date range Protected characteristic	2014-2015	2017-2018
Ethnicity*	98.95%	98.4%
Religion*	70.1%	95.23
Sexual Orientation*	71.8%	81%

*these protected characteristic fields contain a specific 'unknown' field. Declaration levels include 'prefer not to say' as increases show increased engagement with the monitoring progress.

87. These figures suggest that there is increased confidence in the monitoring systems and this reflects the work undertaken by the Scottish Funding Council to support data collection exercises at Colleges and Universities.

88. The upcoming Widening Access report, scheduled for publication on 29 May 2019 will provide analysis of the demography of the student cohort.

89. A planned equalities report will provide further analysis covering each protected characteristic. This information will be available in Autumn 2019.

Part 2: Scottish Funding Council staff & applicant data tables

Scottish Funding Council directly employed staff equality profile

Age	2018	2019	Sex	2018	2019
Up to 25	1%	2%	Female	59%	60%
26-35	13%	16%	Male	41%	40%
36-45	31%	27%	Sexual Orientation		
46-55	34%	35%	Heterosexual	75%	68%
56-65	22%	20%	Gay/Lesbian*	2%	5%
Over 66	0%	0%	Other	0%	0%
Disability			Not disclosed	24%	27%
Yes	11%	12%			
No	84%	82%			
Not Disclosed	11%	12%			
Race			Caring Responsibilities		
BME	1%	1%	None	24%	31%
Any white	86%	83%	Not disclosed	52%	43%
Not disclosed	13%	16%	Primary carer - child	19%	21%
Religion			Primary carer - adult	2%	3%
Any Christian	34%	30%	Secondary carer	4%	3%
Other religion	3%	2%			
Not disclosed	23%	27%			
None	41%	41%			

90. The following table provides information about the profile of applicants for posts with SFC.

91. Our recruitment levels increased for the period 2018-19. We advertised 21 vacancies; the majority of these posts are fixed term posts to take forward discrete pieces of work or to back fill internal portfolio changes on a temporary basis.

92. Our shortlisting panels do not have access to the personal information of candidates. Our analysis of applicant data suggests that there is no adverse impact relating to protected characteristic. However, it is the case that applicants age 35 and over are more likely to be shortlisted than applicants in younger age categories.

Scottish Funding Council applicant data

	Closing date 02.04.17-01.04.18		Closing date 02.04.18-01/04/19	
Age	Applied	Shortlisted	Applied	Shortlisted
16-24	6%	3%	6%	4%
25-34	35%	42%	29%	23%
35-44	13%	8%	21%	22%
45-54	14%	17%	20%	20%
55+	0%	0%	5%	6%
Information missing	32%	31%	20%	24%
Disability	Applied	Shortlisted	Applied	Shortlisted
Yes	8%	11%	13%	18%
No	59%	53%	63%	54%
Not Disclosed	33%	36%	24%	29%
Marital status	Applied	Shortlisted	Applied	Shortlisted
Cohabiting/In a relationship	14%	14%	19%	19%
Separated/Divorced/ Dissolved Civil Partnership	2%	3%	2%	2%
Single	28%	31%	21%	18%
Not disclosed	32%	31%	22%	27%
Marriage/Civil Partnership	24%	22%	36%	33%
Race	Applied	Shortlisted	Applied	Shortlisted
Black & Minority Ethnic	10%	5%	6%	6%
Any white	60%	67%	73%	70%

Not disclosed	30%	29%	21%	24%
Religion	Applied	Shortlisted	Applied	Shortlisted
Christian	18%	14%	22%	19%
Other religion/belief	6%	3%	2%	2%
Not disclosed	36%	36%	27%	33%
No religion/belief	40%	47%	49%	46%
Sex	Applied	Shortlisted	Applied	Shortlisted
Female	38%	42%	51%	53%
Male	35%	39%	36%	38%
Information missing	27%	19%	13%	9%
Sexual Orientation	Applied	Shortlisted	Applied	Shortlisted
Bisexual	3%	5%	2%	0%
Gay Man	4%	2%	4%	4%
Gay Woman/Lesbian	1%	0%	1%	1%
Heterosexual	59%	58%	67%	65%
Other	2%	6%	3%	0%
Not disclosed	33%	34%	25%	30%
Caring Responsibilities	Applied	Shortlisted	Applied	Shortlisted
None	4%	56%	47%	37%
Not disclosed	32%	31%	23%	30%
Primary carer - child	9%	8%	23%	28%
Primary carer - adult	1%	3%	1%	1%
Secondary Carer	4%	3%	5%	4%